

Democracy North Carolina

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Duke Energy Gives \$3 Million to Committee Tied to Gov. Pat McCrory as He Guides Coal Ash Response

A new analysis of government records reveals that Duke Energy – the world’s largest private electric utility – began writing unusually large checks to the national Republican Governors Association while Gov. Pat McCrory and Republican lawmakers debated how to respond to the company’s giant spill of coal ash sludge into the Dan River.

In four payments from June to December 2014, Duke sent the Republican Governors Association a total of \$3,050,000 – more than 10 times its previous record donation to the RGA. Duke’s contributions made it the top corporate donor to the RGA in 2014 and the second largest donor, behind the \$3.5 million given by billionaire Sheldon Adelson, owner of the Las Vegas Sands.

In 2012, the RGA spent \$5 million to boost the election of Pat McCrory as governor, and it is expected to be a major financial backer of his 2016 bid for reelection. Records show McCrory has attended numerous RGA events and helped the association raise funds.

“Duke Energy’s large donations raise questions about the governor’s ability to serve the public interest more than his own political interest,” said Bob Hall, executive director of the nonpartisan watchdog group Democracy North Carolina. “Critics say the coal ash regulation law passed in 2014 was too soft on Duke. Is this money the reason why?”

RGA’s website says its “primary mission is to help elect Republican governorships throughout the nation.” As a “527 political organization,” it can receive and spend unlimited donations from corporate and other donors to elect candidates, without directly coordinating with the candidate.

The organization files relatively obscure reports with the Internal Revenue Service. Democracy North Carolina’s analysis shows that Duke Energy and Progress Energy gave RGA a total of only \$40,000 in the five years from Jan. 1, 2003 to Dec. 31, 2007, an average of \$8,000 a year.

In January 2008, Pat McCrory, a long-time Duke Energy executive and former Charlotte mayor, announced his campaign for governor. Within weeks, Duke and Progress Energy began sending checks of \$10,000 or more to the RGA, according to the IRS disclosure reports.

In October 2008, candidate McCrory hosted a fundraiser for the RGA in Charlotte. As the invites circulated, Duke Energy stepped up with a gift of \$100,000 – its first six-figure RGA donation. (See the event invitation at: <http://www.scribd.com/doc/240852146/101308-Event-Invite>).

Duke and Progress Energy gave a total of \$155,000 during 2008 – or 10 times their previous record of \$15,000 in 2007. The two companies, now merged, increased their giving after 2008, reaching a high of \$275,000 in 2013 before the new high of \$3,050,000 in 2014.

The companies also increased their donations to other 527 partisan committees. Duke Energy gave \$200,000 to the Democratic Governors Association in 2012 and another \$200,000 in 2014. Progress Energy donated \$200,000 to the DGA in 2013.

Duke also donated a total of \$235,000 during 2012-2014 to the Republican State Leadership Committee, which its website says promotes “the election of state Republican candidates.”

Hall pointed out that Duke may be donating significant amounts of money to other electioneering committees that do not file disclosure reports – including Renew North Carolina, a nonprofit set up by Pat McCrory’s supporters to help his political career, and NC House Legislative Partners, which supports Republican General Assembly candidates.

“The public has a right to know who is donating to our lawmakers and their reelection efforts, directly and through shadow committees,” Hall said. “Duke Energy should lead the way by voluntarily disclosing its contributions to these committees.”

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Here are the donations from Duke and Progress Energy and to the Republican Governors Association disclosed (form 8872) at: <http://forms.irs.gov/app/pod/basicSearch/search?execution=e1s2>

DONATIONS TO REPUBLICAN GOVERNORS ASSOCIATION

Duke Energy	12/12/2014	\$ 275,000	
Duke Energy	10/21/2014	\$ 2,000,000	
Duke Energy	09/30/2014	\$ 500,000	
Duke Energy	06/17/2014	\$ 275,000	2014 Total \$3,050,000
Progress Energy	09/17/2013	\$ 175,000	
Progress Energy	04/24/2013	\$ 100,000	2013 Total \$ 275,000
Duke Energy	11/09/2012	\$ 900	
Duke Energy	11/02/2012	\$ 450	
Duke Energy	06/22/2012	\$ 175,000	
Progress Energy	05/22/2012	\$ 25,000	2012 Total \$ 201,350
Duke Energy	12/28/2011	\$ 25,000	
Duke Energy	11/16/2011	\$ 450	
Progress Energy	11/16/2011	\$ 25,000	
Progress Energy	10/25/2011	(\$ 15,000)	
Progress Energy	09/26/2011	\$ 15,000	
Progress Energy	09/08/2011	\$ 15,000	
Duke Energy	06/13/2011	\$ 75,000	
Duke Energy	06/13/2011	\$ 25,000	
Progress Energy	02/15/2011	\$ 10,000	2011 Total \$ 175,450
Duke Energy	09/29/2010	\$ 50,000	
Duke Energy	09/16/2010	\$ 50,000	
Duke Energy	04/12/2010	\$ 25,000	
Duke Energy	02/25/2010	\$ 25,000	2010 Total \$ 150,000
Duke Energy	12/14/2009	\$ 25,000	
Duke Energy	05/05/2009	\$ 15,000	
Duke Energy	03/16/2009	\$ 50,000	
Progress Energy	01/27/2009	\$ 10,000	2009 Total \$ 100,000
Duke Energy	09/09/2008	\$ 100,000	
Progress Energy	08/27/2008	\$ 20,000	
Duke Energy	03/06/2008	\$ 25,000	
Progress Energy	01/29/2008	\$ 10,000	2008 Total \$ 155,000
Duke Energy	06/19/2007	\$ 5,000	
Progress Energy	01/30/2007	\$ 10,000	2007 Total \$ 15,000
Progress Energy	03/16/2006	\$ 10,000	2006 Total \$ 10,000